

clear to trade



eurex clearing

circular 101/17

Date: 12 October 2017
Recipients: All Clearing Members, Non-Clearing Members, Basic Clearing Members, FCM Clients and Registered Customers of Eurex Clearing AG and Vendors
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Amendments to the Clearing Conditions and other related documents of Eurex Clearing AG

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Content may be most important for:

➡ All departments

Attachments:

Amended sections of the Clearing Conditions of
Eurex Clearing AG

Summary:

This circular contains information with respect to Eurex Clearing's service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) and other related documents regarding the following topics:

1. Amendments to the combination of regular clearing licenses with the Specific Lender License (SLL) and Specific Repo License (SRL)
2. Implementation of a right for Eurex Clearing to discharge its payment obligations that are effectively owed by it in a foreign currency by instead making payment in euro.

The amended sections of the Clearing Conditions, as decided by the Executive Board of Eurex Clearing AG and consulted with the EMIR Risk Committee, are attached to this circular.

The amendments regarding topic 1 and 2 will come into effect on **6 November 2017**.



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Aktiengesellschaft mit
Sitz in Frankfurt/Main
HRB Nr. 44828
USt-IdNr. DE194821553
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Frankfurt/Main

**Amendments to the Clearing Conditions and other related documents
of Eurex Clearing AG**

This circular contains information with respect to Eurex Clearing's service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) and other related documents regarding the following topics:

1. Amendments to the combination of regular clearing licenses with the Specific Lender License (SLL) and Specific Repo License (SRL)
2. Implementation of a right for Eurex Clearing to discharge its payment obligations that are effectively owed by it in a foreign currency by instead making payment in euro.

The amended sections of the Clearing Conditions of Eurex Clearing, as decided by the Executive Board of Eurex Clearing AG and consulted with the EMIR Risk Committee, are attached to this circular.

Terms used and not otherwise defined in this circular shall have the meanings ascribed to them in the Clearing Conditions.

1. Amendments to the combination of regular clearing licenses with the Specific Lender License (SLL) and Specific Repo License (SRL)

The Clearing Conditions have restrictions in place for combinations of any regular clearing licenses with the Specific Lender License (SLL) and Specific Repo License (SRL). These restrictions will be removed and hence an applicant will be allowed to become a Clearing Member or a Basic Clearing Member. In addition, the applicant can apply for the Specific Lender License (SLL) and/or the Specific Repo License (SRL).

To reflect the changes, the following provisions of the Clearing Conditions will be amended as outlined in attachment 1:

- Chapter IV Part 3 Number 3.1.1
- Chapter IX, Part 1 Number 1.1.3

2. Implementation of a right for Eurex Clearing to discharge its payment obligations that are effectively owed by it in a foreign currency by instead making payment in euro

In case an FX Disruption Event has occurred and is continuing, Eurex Clearing shall, after having considered potential alternative measures, be entitled to discharge the relevant payment obligation owed by it in the Unavailable Currency by paying to the Clearing Member, FCM Client or Basic Clearing Member a corresponding amount in euro.

To reflect the changes, the following provisions of the Clearing Conditions will be amended as outlined in attachment 2:

- Chapter I Part 1 Number 1.4.5

The full version of the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurexclearing.com as of their respective effective date 6 November 2017 under the following link:

Resources > Rules and Regulations > Clearing Conditions

Pursuant to Chapter I Part 1 Number 17.2.2 and Number 17.2.6 of the Clearing Conditions, the amendments to the Clearing Conditions communicated with this circular are deemed to have been accepted by each Clearing Member, Basic Clearing Member, FCM Clearing Member, Non-Clearing Member and each Registered Customer and FCM Client affected by such amendment unless they object in writing to Eurex Clearing at least fifteen (15) business days prior to the actual effective date of such amendment of the Clearing Conditions.

12 October 2017

Chapter IV of the Clearing Conditions of Eurex Clearing AG

Clearing of Transactions at Eurex Repo GmbH

(Eurex Repo)

As of 06.11.2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 3 Special Conditions regarding the Clearing of GC Pooling Repo Transactions with holders of a Specific Repo License and corresponding GC Pooling Repo Transactions with Clearing Members

[...]

3.1 Specific Repo License

- (1) Eurex Clearing AG offers a Specific Repo License in accordance with this Number 3.1 ("**Specific Repo License**"). Eurex Clearing AG ~~may~~will grant the Specific Repo License upon written application, ~~subject to the condition that the applicant is not a Clearing Member and does not apply for becoming a Clearing Member pursuant to Chapter I Part 1 Number 2 or a Basic Clearing Member pursuant to Chapter I Part 6 Number 2. An application for and the granting of a Specific Lender License pursuant to Chapter IX does not oppose the granting of a Specific Repo License.~~

[...]

Chapter IX of the Clearing Conditions of Eurex Clearing AG

Clearing of Securities Lending Transactions

As of 06.11.2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

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Part 1 General Provisions

[...]

1.1.3 Specific Lender License

- (1) Eurex Clearing AG may, upon written application, grant a specific lender license in accordance with this Number 1.1.3 for the direct participation in the Clearing of Securities Lending Transactions as a Lender only, ~~provided that the applicant is not a Clearing Member and does not apply for becoming a Clearing Member~~ (the **"Specific Lender License"**).

[...]

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 06.11.2017

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AMENDMENTS ARE MARKED AS FOLLOWS:
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Part 1 General Clearing Provisions

1 General Rules

[...]

1.4.5 FX Disruption

If an FX Disruption Event has occurred and is continuing, and

- (i) a payment by Eurex Clearing AG to a Clearing Member, FCM Client or Basic Clearing Member is or becomes due in a currency other than Euro and
- (ii) Eurex Clearing AG is unable (in whole or in part) to source the required amount in the relevant currency at a rate of exchange that Eurex Clearing AG deems reasonable (such currency the “**Unavailable Currency**”).

then Eurex Clearing AG shall, after having considered potential alternative measures (if any) available to it, be entitled to discharge the relevant payment obligation owed by it in the Unavailable Currency by paying to the Clearing Member, FCM Client or Basic Clearing Member a corresponding amount in Euro.

Such corresponding amount in Euro shall be based on such reasonable rate or rates of exchange as Eurex Clearing AG may determine.

When determining a reasonable rate of exchange, Eurex Clearing AG shall take into account all circumstances it deems relevant, including the circumstances leading to the determination of the occurrence of the FX Disruption Event and the last available rates of exchange (if any) prior to the occurrence of the FX Disruption Event as well as at the time of the conversion.

“**FX Disruption Event**” means, as determined by Eurex Clearing AG,

- (a) events or circumstances which affect or may affect the orderly Clearing, the orderly settlement or the existence or orderly functioning of the Clearing Process with respect to foreign currencies;
- (b) other market disruptions which render impossible, illegal or impracticable the orderly determination of one or more relevant rates of exchange and/or the conversion of

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the relevant currency or currencies through the customary channels generally available to and used by Eurex Clearing AG; or

- (c) events or circumstances which establish non tolerable insecurity, volatility or risks with regard to transactions in foreign currencies or the Clearing which may negatively impact on the financial or foreign exchange markets relevant for the Clearing, which, in each case, render it impracticable for Eurex Clearing AG to continue to settle transactions in one or more foreign currencies in accordance with the Clearing Conditions while sufficiently managing its risks.

An FX Disruption Event may even occur if only a single Clearing Member, a single FCM Client a single Basic Clearing Member (e.g. in case of a default) or a group of Clearing Members, FCM Clients or Basic Clearing Members is/are affected, provided that any of the events or circumstances described in (a) to (c) exist. The default of a Clearing Member, FCM Client or a Basic Clearing Member does not per se constitute an FX Disruption Event.

[...]
